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Mayor Liccardo and City Council Urge Review of Proposed SJ Water Rate Increase

*Protest filed with the California Public Utilities Commission also raises questions
about proposed merger with Connecticut Water*

San Jose, Calif. – Mayor Sam Liccardo today announced that the San Jose City Attorney’s office will take two actions with the California Public Utilities Commission (CPUC)—[one to oppose](#) the recently announced San Jose Water (SJW) rate hike and the other to resume the investigation into SJW’s parent company’s proposed merger with Connecticut Water Service, Inc. (Connecticut Water).

The actions come after [SJW notified](#) customers last month of a proposed 2.26% increase to a typical customer’s monthly bill in order to recoup a \$9 million shortfall in fixed costs. SJW attributes the shortfall to consumers’ water conservation efforts. If approved, this will be SJW’s second rate increase in the last six months. Late last year, the CPUC approved SJW’s request to increase rates by 4.55% effective January 2019. In response to the latest rate increase request, the City will argue the process associated with rate-making requires increased transparency to ensure consumers are informed about anticipated rate increases.

The City Council has also requested that the CPUC resume its investigation into San Jose Water Group’s renewed merger proposal with Connecticut Water. The companies withdrew an initial merger application after the Connecticut Public Utilities Regulatory Authority (Authority) tentatively denied the request. San Jose Water Group and Connecticut Water’s renewed [application](#) includes significant benefits and commitments to Connecticut Water customers, including bill credits totaling approximately \$2.3 million and a base rate freeze through January 1, 2021. The City will request the CPUC review the renewed merger to determine whether it is in the public interest of California consumers.

“San Jose Water’s promises to Connecticut consumers to reduce and freeze costs may enable them to expand their utility empire, but must not come at the expense of California consumers who continue paying higher rates to the same company,” added Mayor Liccardo.

If approved by the CPUC, San Jose Water’s rate increase would go into effect July 1, 2019.

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